

FOR IMMEDIATE RELEASE: September 13, 2004

State's GET program is nation's fastest-growing prepaid tuition plan -- New enrollment year begins September 15

OLYMPIA – Rising college tuition and an unpredictable stock market have driven people saving for college away from traditional investments and made Washington's Guaranteed Education Tuition Program the fastest-growing prepaid tuition plan in the country.

"Many families aren't willing to risk their children's college money in an uncertain stock market," said Betty Lochner, director of the state program known as GET. "With GET, the State of Washington guarantees that the money families set aside for college will keep pace with tuition increases. And unlike other prepaid plans, our tuition guarantee is backed by state law," said Lochner.

Washington families opened more than 8,000 new GET accounts in the 2003-2004 enrollment year – a nearly 22 percent increase over the previous enrollment year. And interest remains strong as GET prepares to open its new enrollment year on September 15. GET officials hope that more Washington families will take advantage of this state program and lock in the cost of their children's future college tuition today.

Tuition at the state's public universities has increased nearly 40 percent over the past four years, outstripping both inflation and growth in per capita personal income. Lochner said she expects the Legislature to boost tuition again next year as it scrambles to close an estimated \$1 billion gap between spending and expected revenues.

"How can families plan ahead when tuition increases 16 percent one year and 7 percent the next?" said Jim Sulton, executive director of the Higher Education Coordinating Board, which oversees GET. "GET offers badly needed predictability for families struggling to save for something so important," Sulton said.

GET works on a unit system, with 100 units equal to one year of college tuition at the most expensive public university in Washington. Families can buy up to five years of college tuition at today's unit price for use in the future.

"If you buy one year of college tuition today, it will be worth one year of college tuition when your child or grandchild is ready for college, regardless of how much tuition has gone up or how the stock market has performed," said Lochner.

Although the value of GET units is tied to the price of public undergraduate education, students can use their GET accounts at over 35,000 public and private colleges, universities, and job training schools across the country. If tuition at the private or out-of-state school is higher than tuition at the most expensive public university in Washington, the student pays the difference.

If the student decides not to go to college, the funds can be transferred to a family member, or the person who opened the account can request a refund. Anyone – parents, grandparents, or friends – can contribute to a student's account. And if money is left over after paying tuition, families can use it to pay for books, room and board, and other college costs.

GET also offers significant tax benefits. As a qualified tuition program under Section 529 of the federal tax code, GET accounts grow tax-free. And all withdrawals are tax-exempt as long as the money is used for tuition, room and board, and other college-related expenses.

Washington families have opened more than 44,000 GET accounts valued at over \$470 million since the Legislature and governor established the program in 1998. Those who bought 100 GET units in 1998 paid \$3,500. Today, those units are worth \$5,154 – a 47 percent return on investment.

GET's new enrollment period runs from September 15, 2004 through March 31, 2005. To learn more about the GET program, visit the GET Web site at www.get.wa.gov or call toll-free at 1-877-438-8848.

Washington is one of 19 states with a prepaid college tuition program. Families have invested over \$11.4 billion in state prepaid tuition plans nationwide.